

Congress of the United States

Washington, DC 20515

January 26, 2001

The Honorable David M. Walker
Comptroller General of the United States
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear General Walker:

The organizational structure of an agency can be an important factor in determining its efficiency and ability to administer its congressionally authorized programs. Further, the reorganization of an agency can lead to profound improvements in agency performance and its ability to carry out its mission as an instrument of national policy. We believe that it is important to review periodically how an agency is organized for the purpose of making it more accountable to Congress, who created the entity, to the Executive, who is responsible for setting and administering policy, and ultimately to the taxpayers who pay the bill for the agency's activities.

Too often, the accepted goals of public administration are lost in the day-to-day rush to solve short-term problems that tend to obscure the agency's long-term responsibilities mandated by law. A new administration provides a unique opportunity to review the mission and functions of SBA and to determine whether structural changes might enhance its effectiveness. Performing such a study after a new administration is in place frequently degenerates into a debate about whether the management in power has done a good job in administering the agency. Thus, we request that the preliminary aspects of this study be completed within three months in order for it to be most effective.

The present organizational structure of SBA appears haphazard, having been devised without a long-term plan in mind. There are opportunities for SBA to streamline its organization and at the same time increase efficiency, simplify service delivery, and increase program access. Therefore, we request that you undertake a study of the present organizational structure of SBA. We ask that the basic principles of public administration be followed but not to the exclusion of sound management standards followed in the private sector. As previously discussed with GAO staff, we ask that GAO brief our Committees within three months after initiating the study. Meeting this deadline is crucial to implementing the recommendations. Furthermore, we request that the study be completed within six months and that you address at least each of the following issues within the periods stated.

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Within three months:

- What changes should be made in the organizational structure of SBA to (1) assign clear lines of authority, (2) make SBA more accountable to the Administrator, and ultimately to the President and to Congress, and (3) simplify the delivery of services and to enhance customer satisfaction?
- Which of these changes can a new Administrator make in a relatively short time and which changes will require longer periods of time because of the need for new authority or for other reasons?
- Please discuss how GAO's recommendations, including those from the GAO performance accountability review, can be implemented over the next 24 months.

Within six months:

- What best government and private sector management principles apply to SBA and what present management practices should be done away with?
- As part of your presentation, please address the priority you would assign to each recommended change in terms of (1) increasing accountability, (2) cost effectiveness and efficiency, (3) providing clear lines of authority, (4) cutting "red tape," and (5) enhancing customer satisfaction.

Providing preliminary findings in a timely manner is essential to the effectiveness of this proposed study. You may eliminate the Office of Advocacy and the Office of the Inspector General from the purview of this study because these Offices have a degree of autonomy and are not the focus of our present request.

We appreciate the excellent work that you have done for our Committees in the past. We look forward to receiving your findings in this most important project.

Sincerely,



Christopher S. Bond
Chairman
U.S. Senate
Committee on Small Business



Donald A. Manzullo
Chairman
U.S. House of Representatives
Committee on Small Business